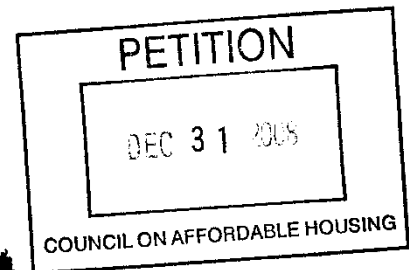




HARTLEY DODGE MEMORIAL  
BOROUGH OF MADISON  
MADISON, NEW JERSEY 07940




**HOUSING ELEMENT  
AND FAIR SHARE PLAN  
2004-2018  
BOROUGH OF MADISON  
MORRIS COUNTY, NEW JERSEY  
DRAFT December 8, 2008**

*Prepared for:*

Borough of Madison Planning Board  
Borough of Madison Mayor and Council  
Madison, New Jersey

  
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Adopted by the Borough of Madison Planning Board on: 12/18/08

Endorsed by the Madison Mayor and Council on: 12/18/08

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## LIST OF PLANNING BOARD MEMBERS

*Mayor Mary-Anna Holden*, Class I  
*Peter R. Flemming, Sr.*, Class IV  
*Jeffrey Gertler*, Class IV, Environmental Commission Rep.  
*Tom Johnson*, Class IV  
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*Gregory Reed*, Class IV, Vice Chair  
*Judy Mullins*, Class IV, Chair  
*John Forte*, Class II  
*Astri J. Baillie*, Class III, Council Representative  
*Patricia Puorro*, Administrative Official  
*EFB Associates, LLC*, Borough Planner  
*Vincent Loughlin*, Planning Board Attorney

## LIST OF MAYOR AND COUNCIL MEMBERS

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MARY-ANNA HOLDEN

### Council

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VINCENT A. ESPOSITO

### Administrator

RAYMOND M. CODEY

### Attorney

JOSEPH MEZZACCA, JR., ESQ.

### Borough Clerk

MARILYN R. SCHAEFER

**Resolution Adopting the Housing Element and Fair Share Plan 2004 — 2018  
Borough of Madison  
Morris County, New Jersey**

**PLANNING BOARD ADOPTING RESOLUTION**

**WHEREAS**, the Planning Board of the Borough of Madison in the State of New Jersey, adopted its current Housing Element and Fair Share Plan in 1994 pursuant to N.J.S.A. 40:55D-26 in 1994; and

**WHEREAS**, N.J.A.C. 5:94-2.2(a) requires the adoption of a housing element by the Planning Board and endorsement the Governing Body; and

**WHEREAS** N.J.A.C. 5:94-4.1(a) requires the preparation of a fair share plan in accordance with the housing element of a master plan; and

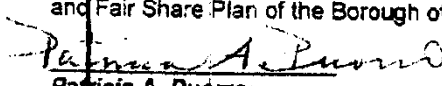
**WHEREAS**, N.J.A.C. 5:94-4.1(b) requires the adoption of a fair share plan by the Planning Board and endorsement by the Mayor and Council; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board of the Borough of Madison held a public hearing on the Housing Element and Fair Share Plan 2004–2018 on December 18, 2008; and

**WHEREAS**, the Planning Board has determined that the Housing Element and Fair Share Plan 2004–2018 is substantially consistent with the goals and objectives of the 1992 Madison Master Plan.

**NOW THEREFORE BE IT RESOLVED** by the Planning Board of the Borough of Madison in the County of Morris in the State of New Jersey, that the Planning Board hereby adopts the December 8, 2008 Housing Element and Fair Share Plan 2004–2018 Plan.

I hereby certify that this is a true copy of the resolution adopting the Housing Element and Fair Share Plan of the Borough of Madison on December 18, 2008.

  
**Patricia A. Puorro**  
**Planning Board Secretary**

**R 324-2008**

**RESOLUTION OF THE BOROUGH OF MADISON ENDORSING THE HOUSING ELEMENT AND FAIR SHARE PLAN DATED DECEMBER 18, 2008 AS ADOPTED BY THE MADISON PLANNING BOARD AND SUBMITTING PETITION FOR SUBSTANTIVE CERTIFICATION OF THE HOUSING ELEMENT AND FAIR SHARE PLAN TO THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING FOR REVIEW AND CERTIFICATION**

**WHEREAS**, the Planning Board of the Borough of Madison in the County of Morris in the State of New Jersey, adopted the Housing Element and Fair Share Plan 2004-2018 on December 18, 2008; and

**WHEREAS**, a true copy of the resolution of the Planning Board adopting the Housing Element and Fair Share Plan dated December 18, 2008 is attached pursuant to N.J.A.C. 5:95-2.2(a)2.

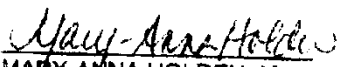
**NOW THEREFORE BE IT RESOLVED** that the Mayor and Council of the Borough of Madison in the County of Morris in the State of New Jersey hereby enforces the Housing Element and Fair Share Plan dated December 18, 2008 as adopted by the Planning Board; and

**BE IT FURTHER RESOLVED** that the Mayor and Council of the Borough of Madison pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:95-3.2, submits this petition for substantive certification of the Housing Element and Fair Share Plan to the New Jersey Council on Affordable Housing for review and certification; and

**BE IT FURTHER RESOLVED** that notice of this petition for substantive certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:95-3.5 within seven days of issuance of the notification letter from the New Jersey Council on Affordable Housing's Executive Director indicating that the submission is complete and that a copy of this resolution, the adopted Amended Housing Element and Fair Share Plan and all supporting documentation shall be made

available for public inspection at the Madison Borough Clerk's office located in Borough Hall, Bayley-Ellard High School, 205 Madison Avenue off Danforth Road, Madison, New Jersey, between the hours of 8:00 A.M. and 4:30 P.M. on Monday through Friday for a period of 45 days following the date of publication of the legal notice pursuant to N.J.A.C. 5:95-3.5.

ADOPTED AND APPROVED  
December 18, 2008

  
MARY-ANNA HOLDEN, Mayor

Attest:

  
MARILYN SCHAEFER, Borough Clerk

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## **EXECUTIVE SUMMARY**

This Housing Element and Fair Share Plan (Fair Share Plan) is intended to fulfill the requirements of the Municipal Land Use Law as well as the “revised third round” requirements of the New Jersey Council on Affordable Housing (COAH). The Borough of Madison successfully petitioned COAH in the past and is again seeking substantive certification of its plan. As an amendment to the 1992 Madison Borough Master Plan, this Fair Share Plan is to be adopted by the Planning Board after an advertised public hearing. The Fair Share Plan is also to be endorsed by the Borough Council by way of a resolution.

COAH’s regulations for the revised third round differ considerably from those applicable to the first two rounds. Third round low and moderate income housing responsibilities are defined by COAH as the sum of (1) a recalculated rehabilitation share (2) the remaining recalculated obligation from the first two rounds, and (3) a new growth share responsibility arising from residential and nonresidential growth during the January 1, 2004 to January 1, 2018 planning period. The new substantive rules state that for every four market-rate residential units projected to be constructed, the municipality shall be obligated to provide one unit that is affordable to households of low- or moderate-income. In addition, each municipality is obligated to provide one affordable unit for every 16 newly created jobs.

COAH has calculated that Madison has a 306 unit third round ‘growth share’ affordable housing obligation, an 86 unit ‘rehabilitation’ share (compared to 46 units under the initial third round rules), and an 86 unit new construction prior round obligation for a total obligation of 478 units. The 306 unit growth share component for 2004-2018 is a function of projected residential and non-residential growth. (COAH estimates that by 2018 the Borough will have an additional 527 dwellings in the community, which translates into 105.40 units of affordable housing, and 3,203 additional jobs, which translates into 200.19 of affordable housing).

This document is designed to address the Borough’s housing obligation, inclusive of a determination of the community’s third round obligation and the plan to achieve this obligation. It has been prepared pursuant to the provisions of the Municipal Land Use Law (MLUL) and the applicable regulations of the Council on Affordable Housing governing the provision of affordable housing within the community for the period between 1987 and 2018.

This plan is organized into two sections.

1. The first section, the Housing Element, contains background data on the Borough’s housing characteristics and population as required by COAH.
2. The second section, the Fair Share Plan, calculates the Borough’s fair share obligation for the provision of affordable housing in accordance with the

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procedures identified in the third round rules. It also contains the Borough's Fair Share Plan for meeting its affordable housing obligation.

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**SECTION 1: HOUSING ELEMENT**

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## **INTRODUCTION**

All municipalities in New Jersey are charged with the constitutional obligation of providing a realistic opportunity for the construction of housing for low-income and moderate-income households. This responsibility, initially highlighted in the 1975 case of *Southern Burlington County NAACP v. Township of Mt. Laurel*, eventually became the basis for the July 2, 1985 Fair Housing Act. This act created the New Jersey Council on Affordable Housing (COAH), a state administrative agency providing an alternative to litigation.

As part of its initial charge, COAH adopted Substantive Rules (N.J.A.C.5:93) and Procedural Rules (N.J.A.C.5:91) to guide municipalities seeking to satisfy their housing responsibilities and to be insulated from "Mt. Laurel" litigation. These prior COAH rules governed two rounds of state estimated low and moderate income housing needs. The first round covered the years 1987 to 1993, and the second round covered the years 1993 to 1999.

New rules were adopted by COAH governing a third round running from January 1, 2004 through December 31, 2014. COAH's new substantive and procedural rules for the third round became effective on December 20, 2004. These rules were amended as a result of an Appellate Division ruling and were revised and readopted on June 2, 2008 as NJAC 5:97 and NJAC 5:96. The adopted new third round affordable housing requirements are cumulative, for new construction, and result in an overall 1987-2018 affordable housing obligation. Based on an allocation model, COAH has projected the 2004-2018 residential and employment growth. These projections, at a minimum, **MUST** be utilized when a municipality is calculating its fair share obligation of affordable housing.

The revised rules re-adjusted first and second round housing need numbers and modified the growth share approach put forth in the third round. Through the 'growth share' methodology, starting on January 1, 2004, occupancies authorized for new housing units and for new nonresidential floor space generate a responsibility for providing low and moderate income housing. For every four new market rate dwelling units, a need accrues for one additional "Mt. Laurel" unit. Additionally, one "Mt. Laurel" unit also accrues for an amount of new nonresidential floor area which statistically accommodates 16 new employees. COAH has established specific ratios for determining the number of employees per 1,000 square feet of floor area for various categories of nonresidential land use.

This Housing Element and Fair Share Plan 2004-2018 represents the Borough of Madison's effort to participate in the petitioning process to COAH. The Borough of Madison is seeking certification that this fair share plan satisfies its low and moderate income housing responsibilities. As an element of the 1992 Master Plan, this Housing Element and Fair Share Plan must be adopted by the Madison Borough Planning Board after a public hearing. Endorsement by the Mayor and Council is also required in the form of a resolution.

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In addition to insulating the Borough of Madison from a “builder’s remedy” law suit, the Housing Element and Fair Share Plan also fulfills a requirement of the New Jersey Municipal Land Use Law (N.J.S.A.30:55D-1 et seq.). A housing element is one of the mandatory components of a master plan. This Housing Element and Fair Share Plan 2004-2018 is intended to fulfill the requirements of both the New Jersey Municipal Land Use Law and the Fair Housing Act.

**Existing Master Plan and Related Documents**

The most current master plan and supporting documents for the Borough of Madison included the following:

November, 1982	Environmental Resources, Madison Environmental Commission
April, 1984	Official Map
September, 1994	Housing Element & Fair Share Plan
2002	Environmental Resource Inventory (updated)
December, 2004	Reexamination of the Master Plan & Development Regulations
January, 2004	Open Space and Recreation Plan
May, 2005	Municipal Stormwater Management Plan

These documents were reviewed as part of the preparation of this Housing Element and Fair Share Plan. Except for the 1994 Housing Element & Fair Share Plan which is being replaced by this document, the proposed Housing Element and Fair Share Plan 2004-2018 is determined to be substantially consistent with the referenced companion documents.

**Community Overview**

Madison is a built out community of 16,000 people encompassing approximately 2,600 acres or four square miles. Madison is bordered by the Borough of Florham Park to the north and east, Morris Township to the west, Chatham Township to the west and south, and Chatham Borough to the east. The Borough has a small downtown that serves the local community as well as surrounding areas. Drew University and part of the Fairleigh Dickinson University campus are located within the Borough. As indicated in the 1992 Master Plan, only 2% of the Borough’s land area was vacant as of 1991. The Borough’s 2004 Open Space Plan similarly identified 46 acres of vacant land. Vacant land today consists of very small, isolated, scattered infill parcels.

## **ANALYSIS OF DEMOGRAPHIC, HOUSING AND EMPLOYMENT CHARACTERISTICS**

### **Population Analysis**

Both the provision of the Municipal Land Use Law and COAH regulations require a description of the Borough of Madison in terms of housing, population and employment characteristics. The MLUL specifically requires that a Housing Element address a community's population size, age, and income characteristics. These characteristics are detailed in Tables 1 through 5 below. As indicated in table 1, the Borough's population grew considerable during the 1950s through 1970s, declined during the 1980s, and has rebounded during the 1990s to almost its 1970 level. The 2007 estimate for the Borough represents a slight reduction in population since 2000. Group quarters population trends indicate a reduction in nursing home population and an increase in dorm populations.

**TABLE 1**  
**POPULATION GROWTH (1930 TO 2007)**  
Madison, Morris County, New Jersey

Year	Population	Change (#)	Change (%)
1930	7,481	--	
1940	7,044	-437	-5.8
1950	10,417	+3,373	+31.1
1960	15,122	+4,705	+45.2
1970	16,710	+1,588	+10.5
1980	15,257	-1,453	-8.7
1990	15,850	+593	+3.9
2000	16,530	+680	+4.3
2007*	16,046	-484	-2.9

\* NJ Department of Labor and Workforce Development (LWD) estimate  
Sources: U.S. Census; NJ Department of LWD

**TABLE 2**  
**POPULATION IN GROUP QUARTERS**  
Madison, Morris County, New Jersey

	2000	1990
Nursing homes	84	133
College dormitories	2,471	2,092
Other	31	12
Total	2,586	2,237

Source: 2000 U. S. Census

The Borough's age composition is represented in the below table. As shown, there has been an increase in the youngest age cohorts (those 19 and younger) between 1990 and 2000, as well increases in cohorts covering those 30 to 59 years old. Modest increases are also evident in those 70 and older.

**TABLE 3**  
**2000 POPULATION BY AGE AND SEX**  
 Madison, Morris County, New Jersey

Age Cohort	2000			1990
	Male	Female	Total	Total
Under 5 years	516	465	981	834
5 to 9 years	525	510	1,035	699
10 to 14 years	480	460	940	699
15 to 17 years	216	232	448	464
18 and 19 years	548	645	1,193	1,100
20 years	261	339	600	602
21 years	239	303	542	627
22 to 24 years	291	276	567	852
25 to 29 years	443	485	928	1,269
30 to 34 years	614	613	1,227	1,207
35 to 39 years	644	670	1,314	1,097
40 to 44 years	585	630	1,215	1,043
45 to 49 years	533	558	1,091	952
50 to 54 years	422	482	904	790
55 to 59 years	373	406	779	749
60 and 61 years	108	135	243	316
62 to 64 years	156	210	366	450
65 and 66 years	110	120	230	
67 to 69 years	144	185	329	672
70 to 74 years	237	299	536	531
75 to 79 years	197	271	468	394
80 to 84 years	105	188	293	290
85 years and over	85	216	301	213
Total	7,853	8,698	16,530	15,850
Median Age	33.4	35.2	34.3	33.2

Source: 2000 U. S. Census

#### Household and Housing Characteristics

Household and housing characteristics are detailed in the following tables. As shown below, total households in the Borough have grown only modestly between 1990 and 2000, as indicated in Table 4. One-person households increased during the 1990s, while two-person households decreased. At the same time, there were slight increases in larger households – those with 5 or more persons. Average family size and average household size did not fluctuate over the period.

**TABLE 4**  
**NUMBER OF HOUSEHOLDS BY HOUSEHOLD SIZE**  
 Madison, Morris County, New Jersey

Household Size	Year 2000	Year 1990
1 – person household	1,415	1,280
2 – person household	1,633	1,926
3 – person household	844	926
4 – person household	801	831
5 – person household	344	307
6 – person household	113	87
7 – person or more household	50	43
<b>Total</b>	<b>5,520</b>	<b>5,400</b>
Average family size (2 or more related persons)	<b>3.05</b>	<b>3.00</b>
Average household size	<b>2.53</b>	<b>2.52</b>
	<b>2.78 Owner</b>	
	<b>2.02 Renter</b>	

Source: 1990 U. S. Census and 2000 U. S. Census

As shown below, the Borough's median household income in 1999 was \$82,847. Based on the distribution of households by income range, 13% of the Borough's households earned less than \$25,000, 16% earned between \$25,000 and \$49,999, 30% earned between \$50,000 and \$99,999, with the remaining 40% earning \$100,000 or more.

**TABLE 5**  
**NUMBER OF HOUSEHOLDS BY HOUSEHOLD INCOME FOR**  
**1999**

Madison, Morris County, New Jersey

<b>Income Range</b>	<b>Year 1999 No. of Households</b>
Less than \$10,000	154
\$10,000 - \$14,999	166
\$15,000 - \$19,999	190
\$20,000 - \$24,999	200
\$25,000 - \$29,999	199
\$30,000 - \$34,999	159
\$35,000 - \$39,999	193
\$40,000 - \$44,999	229
\$45,000 - \$49,999	129
\$50,000 - \$59,999	368
\$60,000 - \$74,999	508
\$75,000 - \$99,999	780
\$100,000 - \$124,999	594
\$125,000 - \$149,999	452
\$150,000 - \$199,999	537
\$200,000 or more	664
<b>Total</b>	<b>5,522</b>
<b>Median household income</b>	<b>\$82,847</b>
<b>Median family income</b>	<b>\$101,798</b>

Source: 2000 U. S. Census

Housing tenure is detailed in the tables below, along with the number of units in structure for 1990 and 2000. As indicated, the Borough's number of owner-occupied units increased slightly between 1990 and 2000, while the number of renter-occupied units remained relatively constant. The trends for unit type remained more or less constant between 1990 and 2000, with the exception of an increase in the number of units with 50 plus units per structure, likely due to dorm construction.

**TABLE 6**  
**NUMBER OF HOUSING UNITS BY TENURE AND**  
**OCCUPANCY STATUS**

Madison, Morris County, New Jersey

<b>Tenure and Occupancy Status</b>	<b>Year 2000</b>	<b>Year 1990</b>
Owner Occupied Units	3,700	3,570
Renter Occupied Units	1,820	1,830
<b>Total Occupied Units</b>	<b>5,520</b>	<b>5,400</b>
Vacant for Rent	48	68
Vacant for Sale	34	37
Rented or sold, not occupied	13	15
For Seasonal, Rec. or Occasional Use	19	13
Other vacant	7	31
<b>Total Vacant Units</b>	<b>121</b>	<b>164</b>
<b>Total Housing Units</b>	<b>5,641</b>	<b>5,564</b>

Source: 2000 U. S. Census

**TABLE 7**  
**NUMBER OF UNITS IN STRUCTURE**

Madison, Morris County, New Jersey

<b>Type of Structure</b>	<b>Year 2000</b>	<b>Year 1990</b>
1, detached	3,485	3,448
1, attached	402	299
2	577	552
3 or 4	358	323
5 to 9	274	294
10-19	179	216
20 - 49	214	263
50 or more	145	67
Mobile Home or trailer	7	2
Other	0	100
<b>Total</b>	<b>5,641</b>	<b>5,564</b>

Source: 1980 U. S. Census, 1990 U. S. Census and 2000 U. S. Census

As detailed below, the vast majority of the Borough's housing stock meets basic health standards with 96% of all occupied units in 2000 having complete plumbing, complete kitchen facilities and not being overcrowded. On the flipside, during the 1990s, the Borough's housing stock added units that have more than one person per room, and saw an increase in units lacking complete plumbing. The Borough's housing inventory grew very little between 1990 and 2000. As shown below, the Borough lost some of its oldest housing due to demolitions with these units replaced during the 1990s.

*Substandard Housing Capable of Being Rehabilitated:* COAH provides the number of units in a community that are in need of rehabilitation and are not likely to experience "spontaneous rehabilitation." Madison's rehabilitation share is 86 units. This item is further explained in the Fair Share Plan section of this document.

**TABLE 8**  
**NUMBER OF HOUSING UNITS BY CONDITION OF UNIT**  
Madison, Morris County, New Jersey

	<b>Year 2000</b>	<b>Year 1990</b>
Units with more than one person per room	130 8 Owner Occupied 122 Renter Occupied	95
Units lacking complete plumbing	55 19 Owner Occupied 36 Renter Occupied	14
Units lacking complete kitchen	26 6 Owner Occupied 20 Renter Occupied	38
<b>Total Occupied Units</b>	<b>5,520</b>	<b>5,400</b>

**TABLE 9**  
**NUMBER OF HOUSING UNITS BY AGE OF STRUCTURE**  
Madison, Morris County, New Jersey

	<b>2000</b>			<b>1990</b>
<b>Year Built</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>	<b>No. of Units</b>	<b>No. of Units</b>
1999 – March 2000	7	0	7	
1995 – 1998	23	32	55	
1990 – 1994	99	50	153	
1980 – 1989	380	208	613	733
1970 – 1979	140	241	381	108
1960 – 1969	400	158	574	654
1950 – 1959	1,097	386	1,535	1,494
1940 – 1949	505	236	758	810
1939 or earlier	1,049	509	1,565	1,764
<b>Total</b>	<b>3,700</b>	<b>1,820</b>	<b>5,641</b>	<b>5,563</b>

Median gross rent in the Borough was \$1,056 in 2000, as indicated below. Of the Borough's 1,915 renter-occupied housing units, approximately eight percent rented for less than \$500 and half rented for less than \$1,000.

**TABLE 10**  
**GROSS RENT FOR RENTER-OCCUPIED UNITS**  
 Madison, Morris County, New Jersey

<b>Monthly Rental</b>	
Less than \$100	23
\$100 - \$149	29
\$150 - \$199	5
\$200 - \$249	27
\$250 - \$299	7
\$300 - \$349	7
\$350 - \$399	39
\$400 - \$449	12
\$450 - \$499	6
\$500 - \$549	21
\$550 - \$599	28
\$600 - \$649	25
\$650 - \$699	25
\$700 - \$749	78
\$750 - \$799	109
\$800 - \$899	315
\$900 - \$999	310
\$1,000 - \$1,249	555
\$1,250 - \$1,499	121
\$1,500 - \$1,999	54
\$2,000 or more	64
No cash rent xx	55
<b>Total</b>	<b>1,915</b>
<b>Median Gross Rent</b>	<b>\$1,056</b>

Table 11 identifies the value of owner-occupied units as of 2000. As shown, the Borough's median housing value was \$198,200. Six percent of all owner occupied units were valued at under \$100,000, 11.4% were valued between \$100,000 and less than \$150,000, and 31.5% were valued between \$150,000 and less than \$200,000. The remainder of the Borough's owner-occupied units were valued at \$200,000 or more.

**TABLE 11**  
**VALUE OF OWNER-OCCUPIED HOUSING UNITS**  
 Madison, Morris County, New Jersey

Owner-Estimated Value	Number of Units
Less than \$50,000	8
\$50,000 - \$59,000	0
\$60,000 - \$69,999	18
\$70,000 - \$79,999	0
\$80,000 - \$89,999	67
\$90,000 - \$99,999	167
\$100,000 - \$124,999	154
\$125,000 - \$149,999	354
\$150,000 - \$174,999	843
\$175,000 - \$199,999	560
\$200,000 - \$249,999	547
\$250,000 - \$299,999	340
\$300,000 - \$399,999	278
\$400,000 - \$499,999	207
\$500,000 - \$749,999	428
\$750,000 - \$999,000	293
\$1,000,000 or more	192
<b>Total</b>	<b>4,456</b>
<b>Median Value</b>	<b>\$198,200</b>

*Estimate of Number of Units Affordable to Low- and Moderate-Income Households:* Based on the most current COAH regional income limits, the median household income for a three-person household in COAH Region 2, Madison's housing region comprised of Essex, Morris, Union and Warren Counties, is \$75,394. An affordable sales price for a three person moderate-income household earning 70 percent of the median income is estimated at approximately \$118,746 for a two-bedroom unit. This estimate is based on COAH's 2008 illustrative sales prices for new construction for Region 2. Monthly rent (with utilities) for a two-bedroom unit (3 person household) earning 60% of the median income is estimated at \$1,130 (\$1,000 without utilities). Approximately six percent of the Borough's housing units in 2000 were valued at less than \$100,000, according to the Census data. According to 2000 U.S. Census data, more than half (56 percent) of the Borough's rental units had a gross rent less than \$1,000.

*Projection of Municipal Housing Stock:* The Fair Share Plan section of this document will include a detailed projection of the municipal housing stock, pursuant to COAH's rules for establishing the "growth share" component of the fair share obligation. This section will also identify historical and projected growth trends.

### Employment Characteristics

Table 12 presents employment by industry. Employment projections are contained in the Fair Share Plan section of this report.

**TABLE 12**  
**EMPLOYMENT IN MADISON BY INDUSTRY**  
**2003 ANNUAL REPORT: N. J. Labor and Industry**  
(Entries may be inaccurate due to a different municipality  
being referenced as the address of a business)

Industry	Units (Jobs)
Construction	33
Manufacturing	12
Retail trade	81
Transportation and warehousing	11
Information	16
Finance and insurance	27
Real estate and rental and leasing	15
Professional and technical services	71
Administration and waste services	30
Educational Services	13
Health care and social assistance	68
Arts, entertainment and recreation	11
Accommodation and food services	42
Other services, except public administration	84
Unclassified activities	545
<b>TOTAL FOR PRIVATE SECTOR</b>	<b>1,059</b>

### **PROJECTION OF MADISON'S HOUSING STOCK, INCLUDING THE PROBABLE FUTURE CONSTRUCTION OF LOW AND MODERATE INCOME HOUSING FROM 2004-20018**

#### Future Construction of Housing

COAH regulations require a 10 year projection of a community's future housing to be based on an assessment of data which minimally must include the number of housing units constructed or has been issued building permits during the last 10 years, the number of low and moderate income housing units constructed previously, the number of low and moderate income housing units previously rehabilitated, a projection of the community's housing stock for the next 10 year period, and the number of subdivisions and site plans approved for residential purposes during the last six years.

From historic Uniform Construction Code records of the Borough of Madison for 1996 and records available from the State of New Jersey,\* Table 13 below shows a modest pattern of residential growth largely accounted for by single-family tear downs and replacements and infill development on oversized lots. The average historic net growth pattern from 1996 to 2008 is 6.3 housing units per year.

**TABLE 13**  
**TWELVE-YEAR HISTORIC TREND OF RESIDENTIAL**  
**CERTIFICATES OF OCCUPANCY AND DEMOLITION PERMITS**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Housing CO's Issued (All single-family)*	18	21	12	13	12	6	9	10	14	33	32	31	9
Housing Units Demolished (all single-family)	1	8	10	7	5	7	4	16	26	11	15	18	10
Net Increase in Housing Units	17	13	2	6	7	-1	5	-6	-12	22	17	13	-1

through July 2008.

Table 14 displays housing units already approved but not yet built as well as new housing construction. Future development in the single family residential zones is anticipated to consist predominantly of tear-downs and replacements with very limited infill development on oversized lots resulting in 12 new single and two-family dwellings per year. More aggressive residential growth is anticipated in the commercial areas in the form of multi-family and mixed use buildings which replace existing commercial uses.

**TABLE 14**  
**ANTICIPATED RESIDENTIAL DEVELOPMENTS & NUMBER OF**  
**RESIDENTIAL UNITS**  
**BY THE YEAR THAT CO's ARE ANTICIPATED TO BE ISSUED**

Approved Housing Dev. App.	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	Total
Development in Residential Zones	33	32	31	12	14	12	12	12	12	12	12	12	12	12	230
Residential development in nonresidential zones	0	4	4	10	20	25	25	25	25	25	25	25	25	25	263
Total	33	36	35	22	34	37	37	37	37	37	37	37	37	37	494

Table 15 below adjusts the predicted new single-family homes in Table 14 by deducting predicted demolitions which are expected predominantly, though not exclusively, in the single-family zones. Overall, the net residential growth is expected at approximately three times the historic rate.

**TABLE 15  
PROJECTED CO's AND DEMOLITON PERMITS, 2005-2018**

	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	Total
<b>Projected CO's Issued</b>	33	36	35	22	34	37	37	37	37	37	37	37	37	37	494
<b>Projected Demolitions</b>	11	15	18	12	12	12	12	12	12	12	12	12	12	12	176
<b>Projected Net Growth In Housing Units</b>	22	21	17	10	22	25	25	25	25	25	25	25	25	25	317

Table 16 below adds in the first column the recorded data for 2004 to complete the period from 2004 to 2018, coinciding with the methodology utilized by COAH.

**TABLE 16  
TOTAL NET RESIDENTIAL GROWTH (SUM OF ACTUAL AND  
PROJECTED, 20014-2018)**

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	Total
<b>CO's Issued</b>	14	33	36	35	22	34	37	37	37	37	37	37	37	37	37	494
<b>Demos</b>	26	11	15	18	12	12	12	12	12	12	12	12	12	12	12	176
<b>Net Growth Housin g Units</b>	-12	22	21	17	10	22	25	25	25	25	25	25	25	25	25	317

#### Future Non-Residential Growth

Table 17 shows the estimated historic job growth in the Borough of Madison based on certificates of occupancy issued for new nonresidential construction as well as for floor areas demolished during the same 1996 to 2008 time period. The data in Table 17 estimated a growth of 1,024 jobs in the 1996 to 2008 time period, exclusive of downward adjustments for demolished non-residential floor area, or an average of 79 jobs per year.

Table 18 displays the predicted nonresidential space production over the 2004 to 2018 time period as well as the corresponding estimated number of jobs derived from the addition nonresidential floor area. The ratio of jobs per 1,000 square feet of floor area is

in accordance with Appendix D of COAH regulations. As shown in Table NR-3, a total of 747 jobs is estimated from 2004 through 2018.

**TABLE 17**  
**HISTORIC TREND OF NONRESIDENTIAL CERTIFICATES OF OCCUPANCY**  
**AND DEMOLITION PERMITS BY SQUARE FEET**

Nonresidential C of O's Issued Table entries are in square feet	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
B Office (banks, government, clinics)	4,958			326	26,921		11,101				51,113	45,709
M Mercantile (retail, shops)				224								29,852
F Factories												
S Storage (warehouse, self storage)				1,812	36,000							103,976
H High Hazard Manufacturing												
A-1 Assembly (theater, concert hall)			6,661									
A-2 Assembly (restaurants, taverns)												
A-3 Assembly (libraries, lecture halls)					24,262			66,459				
A-4 Assembly (arenas, pools)				1,960								
E Schools K-12									11,068	11,068		
I Institutional uses (hospitals, nursing)			23,172						27,082			
R1 Dormitories (+hotels, motels)		5,755		800					612			
Nonresidential Demo. Permits (number of permits and not floor areas)			1- A-4		1-R1		1-B				3-B	1-B
Job Generation Table entries are in jobs												
B Office @ 2.8/1000 sq. ft.	13.882			0.913	75.379		31.083				143.116	127.985
M Mercantile @ 1.7/1000 sq. ft.				0.381								50.748
F Factories @ 1.2/1000 sq. ft.												
S Storage @ 1.0/1000 sq. ft.				1.812	36.00							103.976
H High Hazard Manu. @1.6/1000 sq. ft.												
A-1 Assembly @ 1.6/1000 sq. ft.			10.658									
A-2 Assembly @ 3.2/1000 sq. ft.								212.669				

A-3 Assembly @ 1.6/1000 sq. ft.					38.819							
A-4 Assembly @ 3.4/1000 sq. ft.				6.664								
E Schools K-12 @ 0/1000 sq. ft.								0	0			
I Institutional uses @ 2.6/1000 sq. ft.			60.247					70.413				
R1 Dormitories @ 1.7/1000 sq. ft.		9.784		1.36				1.040				
<b>Total Job Generation</b>	13.882	9.784	70.905	11.13	150.198		31.083	212.669	71.453		143.116	282.709
<b>Total Job Generation (rounded)</b>	14	10	71	11	150	0	31	213	71	0	143	283

\*COAH Web site resources: <http://www.state.nj.us/dca/codes/cr/conrep.shtml>

**TABLE 18**  
**APPROVED NONRESIDENTIAL DEVELOPMENTS AND ANTICIPATED**  
**DEVELOPMENTS, 2004-2018**  
 (Gross Floor Area in Square Feet)

A New Construction	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
JOBS from CO data in Table NR-2	71	0	143	283	27										
Kriek Ent LLC 127 Park					2,222 M 3.777										
Five Guys 233-237 Main St					2,883 A2 9.226										
Prospect Tavern						3,037 A2 9.718									
10-12 Elmer Street						4,410 M 7.497									
Thursdays Mor. Club 25 Cook Ave						1,300 A3 2.08									
8 Elmer St						1,100 B 3.08									
Madison Housing Auth. 22 Central Ave						3,500 B 9.8									
25 Green Village Rd Addition						2,247 B 6.292									
Miscellaneous office (B)					2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6	2,000 5.6
Miscellaneous retail (M)					2,000 3.4	2,000 3.4	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8	4,000 6.8
Miscellaneous (A2)							2,000 6.4		2,000 0		2,000 6.4		2,000 6.4		2,000 6.4

									6.4						
Dorms (R1)						54,519 92.682				40,000 68.0					
TOTAL NEW	71	0	143	283	49.003	140.14 9	18.8	12.4	18.8	80.4	18.8	12.4	18.8	12.4	18.8
<b>B Demolitions and Jobs Lost</b>															
Rose City Associates, L.P. (Stop & Shop)			22.7 53 Stor age 22.7 53 jobs												
Lincoln Mayflower Warehouse								13,265 13.265							
10-12 Elmer Street					1,500 M 2.55										
22 Central Ave					9,000 B 25.2										
233-237 Main St.					2,883 M 4.901										
11 Prospect St					3,037 M 5.163										
BI 1801 L3					1,600 M -2.72										
Miscellaneous office (B)			1,000 0 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8	1,000 2.8
Miscellaneous retail (M)			1,000 0 1.7	1,000 1.7	1,000 1.7	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4	2,000 3.4
<b>NET JOB GROWTH</b>	<b>71</b>	<b>0</b>	<b>116</b>	<b>278</b>	<b>4</b>	<b>134</b>	<b>13</b>	<b>-7</b>	<b>13</b>	<b>74</b>	<b>13</b>	<b>6</b>	<b>13</b>	<b>6</b>	<b>13</b>

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### **LANDS MOST APPROPRIATE FOR AFFORDABLE HOUSING**

It is anticipated that affordable housing will occur primarily through inclusionary redevelopment of sites in and around the downtown, in the Gateway District, and in a limited number of sites adjacent to the downtown. These include an area along Ridgedale and Cook Avenues (comprised of approximately 2 acres) that would be rezoned to permit multi-family residential development with a 20% low and moderate income housing requirement, as well as part of the Green Village Road School site which has redevelopment potential and would also require at least a 20% inclusionary set aside upon rezoning.

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## **SECTION 2: FAIR SHARE PLAN**

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## **FAIR SHARE PLAN**

### **Introduction**

The Fair Share Plan for the Borough of Madison provides a framework for how the Borough will meet its fair share obligation of low and moderate income housing. COAH's rules and regulations provide a number of options in planning for affordable housing, including rehabilitation programs; provisions for rental housing; new construction through the inclusionary development and/or municipally sponsored affordable housing mechanisms; and other methods described in COAH's rules and regulations. Madison's Fair Share Plan will address the Borough's fair share housing obligation consistent with COAH's requirements.

### **Madison's Fair Share Obligation**

The methodology for determining the Borough's third-round affordable housing obligation has changed significantly from the prior round regulations. Under COAH's third-round rules, a municipality's third-round affordable housing obligation is a function of three components:

- Rehabilitation Share
- Remaining Prior Round Obligation
- Growth Share

By way of background, COAH's 2002-2003 Annual Report documented satisfaction of Madison's second round fair share housing obligation. A total second round obligation of 146 units was referenced consisting of 86 units of new construction and 58 units of rehabilitation. More than satisfying that need, the Annual Report indicated a response of 145 units built or under construction and 5 units rehabilitated for a total response of 150 units of fair share housing.

The growth share component represents the most significant change from the prior round, as it requires that each municipality determine its own affordable housing obligation based on the amount of residential and non-residential growth anticipated over the third-round period from 2004 to 2018. Each of the three components is combined to determine the municipality's total affordable housing obligation. More detail on each component is provided below.

### **Rehabilitation Share**

The rehabilitation share component of the affordable housing obligation is based on the municipality's existing housing deficiencies and includes existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income. A municipality's total Rehabilitation Share is equal to the sum of its overcrowded and dilapidated units, multiplied by its regional Low-/Moderate-Income Deterioration Share, minus its Rehabilitation Share Credit. The rehabilitation share essentially replaces what was known as indigenous need in the previous rounds. COAH has assigned the Borough a rehabilitation share of 86 units.

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### Remaining Prior Round Obligation

The Prior Round Obligation is the total Fair Share Obligation for the period 1987 to 1999. As noted in Appendix C, COAH is adopting municipalities' unadjusted 1987 to 1999 obligations, first published in 1993. Madison's Prior Round Obligation is 86 units. Credits and/or adjustments, in accordance with COAH regulations, are permitted for units already built or transferred as part of a certified plan.

### Growth Share

The growth share portion of a municipality's fair share obligation is based on the projected residential and employment growth in the municipality over the period between 2004 and 2018. Growth share is defined as:

"The affordable housing obligation generated in each municipality by both residential and nonresidential development from 2004 through 2018 and represented by a ratio of one affordable housing unit among five housing units constructed plus one affordable housing unit for every 16 newly created jobs as measured by new or expanded non-residential construction within the municipality."

This means that each individual municipality's actual growth between 2004 and 2018 generates an affordable housing obligation. For residential development, one unit of affordable housing obligation is generated for every four market rate residential units constructed in the municipality. For non-residential development, one unit of affordable housing obligation is generated for each 16 jobs created in the community. Job creation estimates are based on the amount of new nonresidential square footage developed within the community. COAH has assigned the Borough with a growth share of 306 units.

### Calculation of Affordable Housing Obligation

The calculation of Madison's affordable housing obligation is detailed below as the Rehabilitation Share, the Remaining Prior Round Obligation and the Growth Share.

### Rehabilitation Share

Appendix B of COAH's third round substantive rules establishes the Borough's rehabilitation share of 86 units.

### Remaining Prior Round Obligation.

Appendix C of COAH's new rules indicates a prior round new construction obligation of 86 units for the Borough.

- Credits, Reductions and Adjustments Regarding Prior Round Obligation. The Borough seeks credits, reductions and adjustments as detailed in the following sections.
  - Credits  
Third-round rules permit credits for units that were constructed (i.e. received certificates of occupancy) or rehabilitated following April 1, 2000 (i.e. received final inspections after 4/1/2000), or transferred to another

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municipality as the subject of a regional contribution agreement (RCA). The Borough has 152 eligible credits.

- Reductions

Reductions from the prior round obligation are permitted for unbuilt sites that were zoned for affordable housing as part of the certified second round plan. Reductions are subject to COAH review and sites must continue to present a realistic opportunity for the construction of affordable housing. The Borough has no eligible reductions.

- Adjustments

COAH honors adjustments granted as part of a second round certified plan, including vacant land adjustments. The Borough does not seek any adjustments to its prior round plan.

- Calculation of Remaining Prior Round Obligation

As detailed in the sections above, the Borough seeks credits for its entire prior round obligation of 86 units with 15 additional credits for use toward the Borough's third round obligation.

#### Growth Share

The growth share component of the Borough's affordable housing obligation is calculated based on the projected amount of residential and non-residential growth anticipated between 2004 and 2018. This projected growth is initially provided in Appendix F of the COAH regulations. However, a municipality can also provide a detailed (actual) projection resulting from an analysis of approved, pending and anticipated development applications. Once the detailed analysis is complete, this growth is translated into an affordable housing obligation, based on a standard of one affordable housing unit among five units that are projected and one affordable unit for every 16 jobs that are projected to be created.

The Borough of Madison's growth share obligation, as established by COAH, is 306 affordable housing units.

- Projection of Residential Growth Share

Appendix F of the third round regulations provides the data needed to calculate the residential growth share. The residential growth projection is determined by subtracting the number of households in 2004 from the projected household growth for the municipality in 2018. This calculation results in the estimated household growth.

COAH projects that 527 dwelling units will be created in the Borough by 2018. The Borough accepts this figure as realistic of actual and anticipated growth between 2004 and 2018, and therefore Madison elects not to provide its own detailed analysis. Based on the requirement that one affordable unit be constructed among every five units created in the Borough, this housing projection creates an

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affordable housing obligation of 106 unit. This figure will be combined later with the non-residential obligation to provide the total growth share obligation.

- Projection of Non-Residential Growth Share

Appendix F of the third round regulations provides the data needed to calculate the non-residential growth share. The employment growth projection for non-residential development is estimated based on the employment projections for 2004 to 2018. The following calculation details the baseline non-residential growth projection for Madison.

COAH projects that 3,203 new jobs created in the Borough by 2018. The Borough accepts this figure as realistic of actual and anticipated employment growth between 2004 and 2018, and therefore Madison elects not to provide its own detailed analysis. Based on the requirement that one affordable unit be constructed for every 16 jobs created in the Borough, this employment projection creates an affordable housing obligation of 200 unit.

Total Fair Share Obligation

As indicated previously, the total fair share obligation is the sum of the rehabilitation share, remaining prior round obligation, and the growth share. As shown below, Madison has a total fair share obligation of 478 units.

**Total Fair Share Obligation**  
Madison, New Jersey

<u>Component</u>	<u>Obligation</u>
Rehabilitation Share	86
Remaining Prior Obligation	86
Growth Share	306
<b>Total Fair Share Obligation</b>	<b>478</b>

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## **PLAN SUMMARY**

This section of the plan details the projects, mechanisms and funding sources which will be used to meet the Borough's affordable housing obligation. The Borough was assigned a rehabilitation share of 86 units. Therefore, Madison must address its third round rehabilitation obligation; its remaining prior round obligation; and its growth share obligation.

- **Rehabilitation Share**

The third round rules assign the Borough with a new rehabilitation obligation of 86 units. The Borough's Public Housing Authority has replaced structural features, including roofs, and expended in excess of \$10,000/unit for over 86 units. Documentation of this is appended to this plan.

- **Remaining Prior Round Obligation**

The third round rules assign the Borough a prior round obligation of 86 units. Madison has been proactive in meeting its prior round obligation through the development of scattered site, 100% municipally sponsored affordable housing rental projects administered by the Madison Housing Authority. The Borough proposes to assign credits, for new rental affordable housing created, in accordance with COAH's regulations regarding prior round credits.

The regulations governing the prior round obligation relate to Madison as follows:

- **Rental Component**

COAH regulations stipulate in NJAC 5:97-3.5(a) that a municipality may receive 2 credits for each rental unit addressing its prior round rental obligation, provide the unit was created and occupied on or after December 15, 1986, is not-age restricted and has affordability controls for at least 30 years. COAH regulations stipulate in NJAC 5:97-3.10(b)(1) that at least 25 percent of a municipality's prior round obligation must be addressed with rental housing. Therefore, the Borough is obligated to provide 22 affordable family rental units.

- **Age Restricted Units**

COAH regulations stipulate in NJAC 5:97-3.5(b) that a municipality may receive 1.33 units of credit for each age restricted rental unit addressing its prior round rental obligation, provided the unit was created and occupied on or after December 15, 1986 and has affordability controls for at least 30 years. COAH regulations stipulate in NJAC 5:97-3.10(c)(1) that up to 25 percent of a municipality's prior round obligation may be addressed with age-restricted housing. Therefore, the Borough may provide up to 22 age-restricted units.

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- Growth Share Obligation

As detailed in the body of this report, Madison's growth share obligation is 306 units. The rules governing the growth share obligation relate to Madison as follows:

- Rental Component

COAH regulations stipulate in NJAC 5:97-3.1 0(b)(3) that at least 25 percent of a municipality's growth share obligation must be addressed with rental housing. Therefore, the Borough is obligated to provide 77 affordable rental units.

- Very Low Income

P.L.2008, c.46, creates a requirement that at least 13 percent of a municipality's affordable housing units be reserved for occupancy by very low income households with a gross household income equal to 30 percent or less of the median income for households of the same size within the housing region.(30% or less). Therefore, the Borough is obligated to provide 40 units of housing available to very low income households. In accordance with NJAC 5:97-3.9 at least 50 percent of these units or 20 units must be addressed with family housing. The balance may be age restricted.

- Age Restricted Units

COAH regulations stipulate in NJAC 5:97-3.1 0(c)(2) that up to 25 percent of a municipality's growth share obligation may be addressed with age-restricted housing. Therefore, the Borough may provide up to 77 age-restricted units.

- Bonus Caps

COAH regulations stipulate in NJAC 5:97-3.20(b) that the total number of bonuses for the growth share obligation granted in a fair share plan shall not exceed 25 percent of the projected growth share obligation. Therefore, the Borough may be granted up to 77 bonus credits.

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## **PLAN COMPONENTS**

- **Rehabilitation Share**  
The Borough has met its required 86 unit rehabilitation through the rehabilitation of over 86 public housing, affordable family rental units. Documentation is provided as an appendix to this plan.
- **Remaining Prior Round Obligation Plan Components**  
The Borough has an 86 unit remaining prior round obligation. This obligation will be met utilizing credits from family and senior citizen affordable rental housing already constructed through the development of scattered site, 100% municipally sponsored affordable housing rental projects administered by the Madison Housing Authority.

NJAC 5:97-3.5(a) permits a municipality to receive two units of credit for each rental unit addressing its prior round obligation, provided the unit was or will be created and occupied in the municipality on or after December 15, 1986, is not age restricted and has affordability controls for at least 30 years. No rental bonuses shall be granted for rental units in excess of the prior round rental obligation. NJAC 5:97-3.5(b) permits a municipality to receive 1.33 units of credit for each age restricted unit addressing its prior round obligation, provided the unit was or will be created and occupied in the municipality on or after December 15, 1986 and has affordability controls for at least 30 years. No rental bonuses shall be granted to age restricted rental units in excess of 50% of the prior round rental obligation.

As shown below, prior round credits consist of 134 rental units with bonus credits for those rental units capped at the rental requirement of 26. This results in a total prior round credit of 160 units. The 160 units are used to satisfy Madison's prior round obligation of 86 units with a surplus of 74 credits.

Project	Type	#Units	Bonus
Community Place (Block 49, Lot 26) (100% Affordable)	Family-Rental	13	13
Park Avenue (Block 26, Lot 16) (100% Affordable)	Family-Rental	4	2
John Avenue (Block 61, Lot 5A) (100% Affordable)	Family-Rental	11	11
Belmont Avenue (Block 74, Lots 11-13) (100% Affordable)	Family-Rental	6	
44 Cook Avenue (Block 1601, Lot 12) (100% Affordable) (Affordability controls lapse 2014)	Senior Citizen-Rental	12	
80 Park Avenue (Block 1203, Lot 23) (100% Affordable) (Affordability controls lapse 2017)	Family-Rental	8	
Rexford Tucker Apts. (Block 10, Lots 3-2 & 3-3) 15 Chateau Thierry Avenue (100% Affordable) (Affordability controls lapse 2016)	Rental-Family	80	
<b>Total</b>		<b>134</b>	<b>26</b>

- Growth Share Obligation Plan Components  
The Borough has a 306 unit growth share obligation which will be met as follows:
  - Prior Round Credits  
As noted above, Madison proposes to utilize 74 remaining credits from its prior round obligation calculation. Madison has constructed 134 family and senior citizen rental units with a rental bonus of 26 units for a total of 160 qualifying units. The prior round obligation utilized 86 of the 160 credits leaving a balance of 74 credits.
  - Extension of Expiring Controls  
NJAC 5:97:6.14(a) permits a municipality to address a portion of its growth share obligation through the extension of affordability controls in accordance with NJAC 5:97-9 and UHAC. Madison proposes to utilize this extension process to extend the affordability controls on several rental projects where the affordability controls will lapse between 2008-2018. These projects are noted in the table below and total 100 units.

<b>Project</b>	<b>Type</b>	<b>#Units</b>
44 Cook Avenue (Block 1601, Lot 12) (Affordability controls lapse 2014)	Senior Citizen-Rental	12
80 Park Avenue (Block 1203, Lot 23) (Affordability controls lapse 2017)	Family-Rental	8
Rexford Tucker Apts. (Block 10, Lots 3-2 & 3-3) 15 Chateau Thierry Avenue (Affordability controls lapse 2016)	Rental-Family	80
<b>Total</b>		<b>100</b>

- **Bonus Credits**  
NJAC 5:97-3.6(a)(1) permits a municipality to receive two units of credit for each rental family unit in excess of its growth share rental obligation. The Borough's rental obligation is 77 units. However, COAH regulations stipulate in NJAC 5:97-3.20(b) that the total number of bonuses for the growth share obligation granted in a fair share plan shall not exceed 25 percent of the projected growth share obligation. Therefore, the Borough may be granted up to 77 bonus credits. Madison will exceed its rental obligation proposes to utilize 77 bonus credits toward its growth share obligation.
- **100% Municipally Sponsored Affordable Housing**  
The Borough of Madison proposes to utilize three "new" scattered site affordable housing projects, toward its growth share obligation. These scattered site projects are shown below:

<b>Project</b>	<b>Type</b>	<b>#Units</b>
Loantoka Way	Rental-Family	12
27 Elm Street	For Sale-Family	5
22 Central Avenue	Rental-Family	12
<b>Total</b>		<b>29</b>

- **Market to Affordable Program.**  
The Borough will implement a market to affordable program, in accordance with COAH's rules at NJAC 5:97-6.9. These rules permit the Borough to purchase or subsidize units through a written agreement with the property owner and sell or rent those units to low- or moderate- income households. The Borough is required to provide a minimum of \$25,000 per unit to subsidize each moderate-income unit and/or \$30,000 per unit to subsidize each low-income unit. Such subsidies will be funded from the Borough's development fee program, which is discussed in more detail below.

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NJAC 5: 97-6.9(b)(4) allows the Borough may apply up to 10 for-sale and 10 for-rent units or 10% (30 units), of the total fair share obligation, purchased or subsidized through the market to affordable program towards the fair share obligation. Madison proposes a plan to create 10 market to affordable rental units. These units would be eligible for rental bonus credits per NJAC 5:97-3.6(a)(1). Therefore, 20 credits from the market to affordable program can be applied toward the Borough's growth share obligation.

- Fair Share Ordinance and Affirmative Marketing Plan  
The Borough's growth share ordinance (Section 195-48) will be amended to meet the new regulations and to require a 25% set aside. The growth share ordinance will be utilized to complete the Borough's Fair Share Plan and provide the necessary opportunity for meeting the Borough's third round growth share obligation.

As required, the Borough will adopt an Affirmative Marketing Plan.

### **CONCLUSION**

The Borough has an 86 unit prior round obligation; an 86 unit rehabilitation obligation and a 306 unit growth share obligation, for a total rehabilitation obligation of 86 units and a new construction obligation of 392 units.

Rehabilitation of public rental housing units, in excess of 86 units, has taken place since 2000. Madison has a 0 outstanding rehabilitation obligation.

The table below provides a summary of how the prior round and third round growth share obligation of 392 will be met within the Borough. As shown, the Borough's existing scattered site rental housing credits will satisfy Madison's prior round obligation with credits remaining for use to satisfy a portion of Madison's third round obligation. Extension of expiring controls on affordable housing will be utilized to satisfy a portion of the Borough's third round. A market to affordable program will be created. Inclusionary housing development, utilizing the Borough's growth share ordinance, will round out the Borough's plan to meet its overall affordable housing obligation.

**Plan Summary**  
Madison, New Jersey

Plan Component	Prior Round	Third Round
Community Place (100% Affordable) (Block 49, Lot 26)	13 Rentals-Family 13 Rental Bonus	
Park Avenue (100% Affordable) (Block 26, Lot 16)	4 Rentals-Family 2 Rental Bonus	
John Avenue (100% Affordable) (Block 61, Lot 5A)	11 Rental-Family 11 Rental Bonus	
Belmont Avenue (100% Affordable) (Block 74, Lots 11-13)	6 Rental-Family	
44 Cook Avenue (Block 1601, Lot 12) (100% Affordable) (Affordability controls lapse 2014)	12 Rental Senior Citizen	12 Rental-Extension of Expiring Controls
80 Park Avenue (Block 1203, Lot 23) (100% Affordable) (Affordability controls lapse 2017)	8 Rental-Family	8 Rental-Extension of Expiring Controls
Rexford Tucker Apts. (Block 10, Lots 3-2 & 3-3) 15 Chateau Thierry Avenue (100% Affordable) (Affordability controls lapse 2016)	80-Rental Family	80 Rental-Extension of Expiring Controls 77 Bonus
27 Elm Street (100% Affordable)		5 For Sale-Family
22 Central Avenue (100% Affordable)		12-Rental-Senior Citizen
Loantoka Way (100% Affordable)		12-Rental -Family
Market to Affordable Rental Units		10 Rental
Inclusionary Development		16 Units
Total		
<b>TOTAL</b>	<b>160 UNITS</b>	<b>232 UNITS</b>

- Development Fees**

The Borough will adopt a development fee ordinance, as provided by COAH's rules at NJAC 5:97-8.3, permitting the Borough to impose such fees on new development. The funds generated by the collection of development fees will be applied directly toward implementation of the Borough's Fair Share Plan.

Residential development fees of 1.5 percent of the equalized assessed value will be collected on residential development within all residential zoning districts. Non-residential development fees of 2.5 percent of the equalized assessed value will be collected on non-residential development within all non-residential zoning districts.

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The following developers are exempt from paying development fees:

- Developers of low and moderate income units, or those who have made a payment in lieu of constructing affordable units;
- Developers of any not-for-profit uses; federal, state and municipal government uses; churches and other places of worship; and public schools;
- Developers who expand, enlarge, or improve existing single family or two family residences, unless the expansion, enlargement, or improvement leads to the creation of additional dwelling units(s).

With respect to the proposed development fee ordinance, the following is attached in the appendix of this plan:

- A draft ordinance for the collection of development fees;
- A draft resolution from the governing body requesting COAH review and approval of development fee ordinance;
- A draft spending plan;
- A draft resolution from the governing body requesting COAH review and approval of spending plan.